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SECOND CLASS

# DRUG STORE NEWS

Vol. 11/No. 5 **Our 61st year of serving chains, wholesalers and high-volume independents** Published by Lebhar-Friedman Inc. March 6, 1989

## Retailers crunch the Big Apple for back-to-school, toy shows

*Above:* **Pay Less NW's Tim McAlear (right), executive vp, and Jerry Kuske, vp-merchandising, at Back-to-School Show.**

**Skip Morris, vp-marketing, left, and Bill Brock, merchandiser, from Hook-SupeRx's SupeRx division in Cincinnati, gained a feeling for the look '89's Christmas giftwrap will have at the Toy Fair.**

**February was showtime in New York City, as thousands of retailers and vendors converged on the Big Apple for the Back-To-School Show and the 86th Annual Toy Fair.** ***See photos and show coverage, pages 2 and 3.***

# Thrifty takes Giant steps

## *Chain planning four stores as Ralphs converts megas*

LOS ANGELES — Thrifty Drug Stores and Ralphs Grocery are going to try living together again.

Thrifty will open four 14,000- to 15,000-square-foot stores side by side with Ralphs supermarkets, as Ralphs downsizes its 70,000-square-foot-plus Giant stores to 45,000- to 50,000-square-foot formats in 15 locations. Executives of both chains expect the moves to all occur this year.

The stores will have separate signage and entrances, and be divided by interior walls. To consumers, they'll look like separate stores, though in the same building. Ralphs will continue to carry H&BAs, but no pharmacy, in these stores. The side-by-side stores are a step beyond some other locations, where Thrifty and Ralphs co-anchor small neighborhood strip centers.

In an earlier experiment that lasted until last summer, Thrifty operated 4,000-square-foot Jr. stores inside five Ralphs' Giants. These Giants included other tenants, such as dry cleaners and fast food operators, in a mini-mall setting. The small size of the Thrifty Jrs., a redundant product mix between Giant and Thrifty Jr., and a less than ideal traffic flow caused Thrifty to close the Jr. sites.

*See* **Thrifty,** *page 29*

# *Fay's to name Kogut drug division president*

LIVERPOOL, N. Y. — Fay's Drug Co. will name John Kogut president of its drug store division, *Drug Store News* has learned. Warren Wolfson, vp-general counsel, confirmed Kogut's promotion to this new position, saying it will be approved by the company's board of directors at a meeting on March 17.

Kogut, in his new responsibility for the 150-store Fay's Drugs division, will report to company president Larry Rose. The company has two other retail divisions, also headed by presidents: David Panasci at Paper Cutter stationery stores and Michael Falcone at Wheels Discount Auto Supply stores.

Fay's, in establishing a presidency of the drug store division, is preparing to expand its drug store roster by 10- to 15-percent annually to as many as 280 stores by the mid-1990s. Fay's will enter Vermont and New Hampshire with drug stores for the first time this year, and will expand in Pennsylvania. Chairman Henry A. Panasci, Jr., told analysts recently that corporate sales should reach the $1 billion range by 1994.

That goal would also be helped by rapid expansion of Wheels to 120 stores and Paper Cutters to 60 during the next five years.

These aggressive plans are being made against the backdrop of a two-year-long profits climb. In the latest nine months, earnings reached $5.2 million, compared with $2.2 million in the same year-ago period. Revenues rose 5 percent to $376.8 million. Gross margins are also up about one point.

Kogut, a board member, had been senior vp-operations. No one has been named yet to fill this spot. Wolfson said two executives may split the assignment at Fay's, perhaps in such roles as store operations and pharmacy operations.

## LATE NEWS

- LARGO, Fla. — American Stores is preparing to open two Jewel Osco superstores here in March. A third store is under construction, a local source said. These will be the first Oscos in the state.
- BROOKHAVEN, N. Y. — Carrefour U.S.A., the hypermarket developer, has sued Brookhaven Town for $25 million and clearance to build a 729,000-square-foot mall there. The suit charges that, when Carrefour sought to build here last year, the town changed the commercial zoning of a proposed site to placate local merchants' fear of competition.
- MONTREAL — Imasco Ltd. said it had completed the sale of the 85-store Reed Division of Peoples Drug Stores to Big B Inc. for approximately $50 million, U.S.
- PONTIAC, Mich. — Amid trade talk that Perry Drug Stores is up for sale, the stock is still being traded heavily near its $13.50 high price for the year. It closed Feb. 23 at $12.125 on volume of 170,100 shares.

# Snyder's media campaign to roll; its new modern image the focus

**By Susan Ball**

A *Drug Store News* exclusive

MINNEAPOLIS — Snyder's Drug Stores is rolling out an unusual campaign that strips the words "drug store" from its name in its advertising and is meant to drastically shift consumer perceptions. This major effort culminates a two-year-long program to upgrade marketing, operations, training and systems at the 200-store chain.

"Before we could communi-

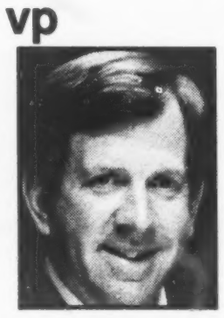
*See* **Snyder,** *page 29*

*'Our market research showed that the term 'drug store' carries some dated perceptions not in line with Snyder's today.'*

**— Bill Vidmar**
vp-marketing, Snyder

# NEWS IN BRIEF

## Durand named a Vons group vp


Durand

EL MONTE, Calif. — Vons Grocery Co. has named Harvey Durand to the new position of group vp-drug store, responsible for general merchandise, pharmacy and H&BA. He replaces Tony Fanticola, vp-general merchandise, who resigned.

The change in job title reflects expanded duties of the position, and Vons' aggressiveness toward its drug store business.

Durand comes to Vons with over 20 years in retailing. Before joining Vons in January, Durand served as a drug division vp for Albertsons stores in Texas, Florida and Louisiana. Durand was also a vp at Pay Less NW and Jewel Companies, where he managed the Osco division.

Vons operates over 350 grocery stores and by year's end expects to operate close to 100 pharmacies in its combos.

## Rome, Karp named to top Moore posts

NEW BRITAIN, Conn. — Moore Medical's board of directors announced the election of Jerald K. Rome, the company's chief executive officer, to the newly-created position of chairman of the board. Karp joined the company in 1972, and has held various positions at the company, including manager of the generic drug division.

The board also announced the promotion of Mark E. Karp, formerly senior vp, to the position of president and chief operating officer. Karp was also elected as a member of the board of directors and the executive committee.

## Revco auctions 112 store leases

TWINSBURG, Ohio — Revco has auctioned 112 leases for vacant store sites in 20 states, at U.S. Bankruptcy Court in Akron, Ohio.

Marvin Solganik, senior vp-real estate for the chain, said the leases occupied a variety of retail locations, did not include fixtures or any on-going businesses, and the sites typically had 5,000 to 10,000 square feet of space.

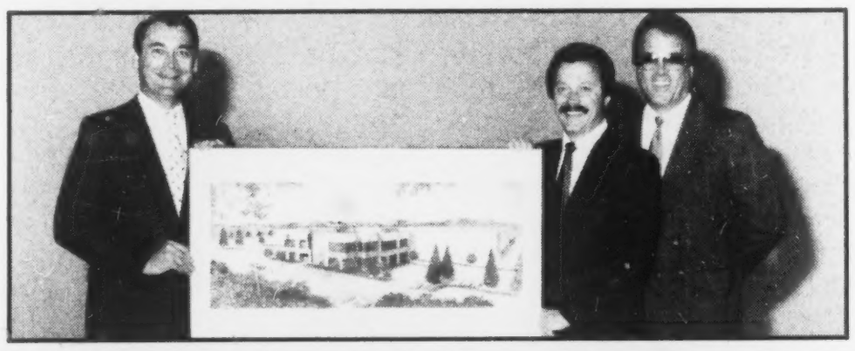
Revco's voluntary filing for Chapter 11 protection on July 28, 1988 allowed it to auction the leases, saving the chain money that would otherwise go to rental on empty storefronts. "This is another step in achieving a successful financial reorganization," Solganik said.

## Bergen consolidating So. Calif. DCs

ORANGE, Calif. — Bergen Brunswig has purchased land in Corona, Calif., which will provide over 231,000 square feet of warehouse and office space, to consolidate three of its Southern California distribution centers into one.

Construction is set to begin next month, with a projected opening date of April 1990. The new warehouse will feature high-storage racking for palletized product movement.

Mike Quick, currently manager of Bergen Brunswig's Anaheim division, will be made manager of the Corona center.


**Phillip Engle, (left) president of Bergen Brunswig, holds architect's rendering of planned distribution center in Corona, Calif. Urs Aeberli (center), assistant manager appointee for the new facility, and Mike Quick (right), manager, look on.**

## New staffer at *DrSN's* Chicago bureau?

EVANSTON, Ill. — *Drug Store News* senior editor James Frederick and his wife, Chris, became the proud parents of a son on Feb. 22 at Evanston Hospital here. David James Frederick weighed in at 6 pounds, 14 ounces, and is the couple's first child.

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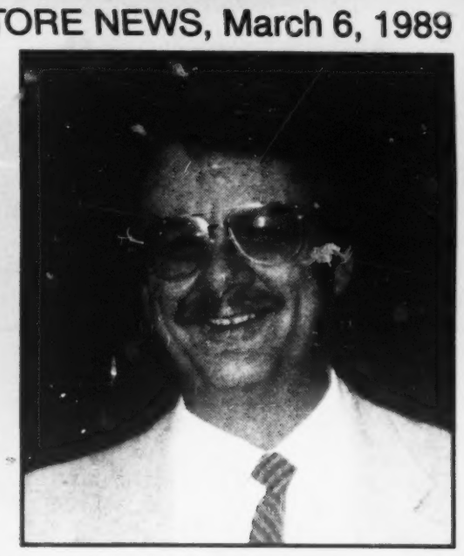
Vol. 11, No. 5 March 6, 1989

**Attending the Back-To-School Show from 10-store Freedom Drug in Massachusetts, are, from left: Denis Rondeau, president; Kim Higgins, director of operations; and Gene Dimaio, general manager.**


**Roger Wilcox, stationery–home office–back-to-school buyer for Raley's, a California-based combo chain.**

**Ike's president Bill Mitchell and Tammy Simouye, stationery buyer for the deep discount operation in Tennessee, at the show with plans to expand home office.**

**Frank Marks, left, senior buyer, and Bob Springer, vp-marketing, of Marc's, looked at show exhibits from the viewpoint of female shoppers, their primary customers.**

# B-T-S Show buyers plan to expand popular sections

NEW YORK — Expansion, upgrading and bulk packs are key elements in drug chains' plans for their school-stationery-home office departments this year, based on buyers' comments at the recent Back-to-School Show at the Javits Convention Center here.

From Ike's in Tennessee to Pay Less NW in Oregon, chains are expanding, or have recently expanded, the home office segment in order to increase sales in this core department.

Ike's president, Bill Mitchell, said he plans to add a 20-foot set of home office products to the stores' 60-foot departments and was looking at different options at the show.

Tim McAlear, Pay Less NW executive vp, noted that the chain had expanded home office by 8 to 12 feet and experienced a 17-percent increase in department sales this year over last. "It's a very good department for us," he said.

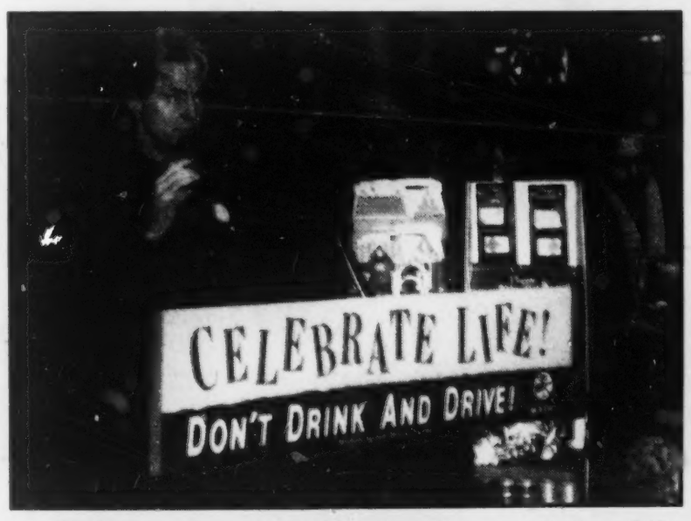
"We're expanding home office by about 20 percent onto existing departments—and wish we had more," said Roger Wilcox, drug buyer and merchandiser for Raley's Superstores, based in California. Additions would include bulk items and upgraded file boxes and cabinets, he said, noting that tax time is the chain's second-biggest department promotion, after back-to-school.

Bob Springer, vp-marketing for Marc's, was looking at multipacks, Esselte Pendaflex plastic accessories and such items as two-drawer file cabinets as part of his show agenda.

Many chains are focusing on upgrading, rather than price, as their niche in both school and home office supplies. "Our customers are willing to pay more for products if they feel it's a good value," said buyer Dan McAllister of

*See* **B-T-S**, *page 29*

**Fred Edwards, senior executive vp, left, and Lou Schechter, senior vp-marketing, of Dart Drug Stores.**



**Radio-TV personality Shadoe Stevens helps Gibson Greetings kick off its "Celebrate Life" joint program with Mothers Against Drunk Driving at the show.**

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# BEAUTY TRENDS

# Drug stores lead in hair care sales growth

The hair care category, for the first time in several years, generated moderate growth in 1988. Total mass market retail sales were up 6.1 percent to $3.98 billion.

Of the three mass market retail trade classes, drug stores had the strongest growth, generating a 7.4-percent increase in overall sales, to nearly $1.5 billion for the 12 months ending last October.

Drug stores also improved their share of mass market hair care sales, moving up a half-point to 37.0 percent, while food stores dropped 1.2 points to a 40.7-percent share.

Buyers say they think this happened because many drug stores put new emphasis on their basic categories, especially high-consumption commodity categories like hair care. Sources say they have been more aggressive with hair care ads in 1988 and much more competitive on their prices.

### Professional hair

Professional hair care products like Aussie, Infusium and DeMert are still doing well in most drug stores. Most buyers say their sales are strong, if not quite as dramatic as a year ago.

In Atlanta, Stiff Stuff is doing very well in Revco stores, according to store managers, and Studio Line Mega Gel is the top seller in its category.

At Drug Emporium the professional segment is described as "especially hot." One cosmetician said that just about everything in the professional category was selling well. Especially strong were the Aussie products, she said, particularly the Australian Three Minute Miracle shampoo and conditioner, and the little foil packets of Aussie hair conditioning treatments. Also doing well at most Drug Emporium stores are the TRESemmé shampoos and the Fermodyl line.

Generic professional hair care products also continue to do well at many chains. One cosmetician who services a Drug Emporium in Atlanta says that price is still a strong attraction for consumers who buy the generic lines. Her store had a 4-foot section of generics under the Ross Kalvin brand. Their knock-off of the Nexxus shampoo, for example, was priced at $2.11, compared to the $6 to $8 consumers normally pay for Nexxus in a salon.

Marlene Isaacson, who buys professional hair brands for Austin Drug, says her Progen generic line also sells well. "We aren't getting as strong a growth as we did several years ago when the professional brands were not readily available, but we are getting good growth," she says.

**Despite competition from food and discount stores, drug stores increased their 1988 hair care sales share .5, to 37%. Emphasis deep discounters such as Drug Emporium (above) put on category contributed to gain.**

### Chart 1: Growth in mass market hair care sales

(Retail sales in food, drug and discount stores, 12 months ending 10/31/1988)

| Retail Outlets | 1988 $ sales (millions) | % change vs prior year | Share of sales |
|---|---|---|---|
| Drug | $1,474 | 7.4% | 37.0% |
| Food | 1,621 | 4.9 | 40.7 |
| Discount | 893 | 5.9 | 22.3 |
| Total Sales | 3,988 | 6.1 | 100.0 |

Source: Nielsen Marketing Research

### Chart 2: Hair care retail sales trends

| Retail Outlets | 1984 | 1985 | 1986 | 1987 | 1988 |
|---|---|---|---|---|---|
| Drug | 37.2% | 36.9% | 37.2% | 36.5% | 37.0% |
| Food | 40.6 | 40.9 | 41.1 | 41.9 | 40.7 |
| Discount | 22.2 | 22.2 | 21.7 | 22.6 | 22.3 |

Source: Nielsen Marketing Research

### Shampoos and conditioners

In the shampoo and conditioning segment, buyers and store clerks say that Revlon's new Clean & Clear is showing strong, steady growth. Neutrogena shampoos are also very good, buyers say, and Helene Curtis' Salon Selectives continues to be outstanding. Some clerks say they can't keep certain formulas in stock.

Suave is going well in most chains and so is White Rain, probably the best and most successful of the low-priced brands.

### Hair color

According to Nielsen, the hair color category was up 7.8 percent overall for the 12 months that ended last October. In drug stores, it was up 9.1 percent.

### Chart 3: Sales growth in hair care segments

| Category segment | All mass Outlets 1988 $ Sales (millions) | % chng vs. last year | Drug Outlets 1988 $ Sales (millions) | % chng vs. last year |
|---|---|---|---|---|
| Shampoos | $1,349 | 5.6% | $385 | 8.9% |
| After Shampoo | 749 | 9.5 | 270 | 9.6 |
| Color | 541 | 7.8 | 292 | 9.1 |
| Fixatives (sprays) | 647 | 6.8 | 198 | 10.9 |
| Ethnic Hair Preps | 287 | 9.9 | 161 | 4.4 |
| Men's Hair Preps | 134 | (0.8) | 53 | 3.3 |
| Home Perms | 131 | 0 | 65 | 0.4 |
| Mousse | 196 | (8.6) | 50 | (10.1) |

Source: Nielsen Marketing Research

Several buyers told *Drug Store News* that men's hair color is starting to show very strong growth.

The buyer for one major chain said his stores have been doing "very well" with the category. He said Just For Men has shown "tremendous growth over the past year," and added that he expected "very good things" from Clariol's new Options and Combe's Grecian Plus, both of which are currently in test on the West Coast.

Combe, which created the category with its Grecian Formula, says its research shows that men's color sales have been been steadily climbing since 1987, when Just for Men, a five-minute shampoo-in hair color, was launched.

Combe estimates that men's hair color is now a $33 million category.

*Continued on page 22*

BEAUTY TRENDS

# Drug stores hold 'commanding' lead in skin care category sales: Nielsen

The skin care category is generating strong gains in most drug stores, buyers report. Sources say sales have increased about 10 percent on average, with some chains reporting growth ranging from the high teens to 30 percent or more.

According to Nielsen Marketing Research, sales for the entire mass market skin care category increased 11.4 percent for the 12 months that ended last October.

Nielsen says drug stores again outpaced food and discount stores in the category. According to the market research firm, drug store skin care sales were up 14.1 percent last year. Food stores posted a 10.6-percent gain and discount stores, 6.1 percent.

Drug stores continue to hold a commanding share of sales in the category. According to Nielsen, drug stores had a 49.5 percent share of mass market skin care sales in 1988, up .9 over the prior year. Food stores lost .1 to a 31.0-percent share, and discount stores were down .7 to 19.5 percent.

Based on Nielsen's research, the strongest skin care segments last year were baby lotions, up 14.6 percent, suntan lotions and screens, up 13.9 percent, baby oil, up 13.2 percent, and face creams and hand creams, each up over 11 percent. Bath oil was also up over 10 percent.

Drug stores again were able to generate stronger increases in these categories than their rivals, the food and discount store chains.

In the sun care category, for example, sales were up 21 percent for drug stores compared to an increase of 13.9 percent for the three trade classes as a whole.

In skin care, the franchised lines are showing strong growth, sparked by merchandising changes that help make the category more visible and more accessible in many stores. The franchised lines also seem to be getting more support from the manufacturers who are advertising their brands more and launching new lines like L'Oréal's Plenitude and the new Clarion skin care line.

Revlon has scored a huge marketing success with the launch of its Anti-Aging creams and lotions, and Almay is continuing to do exceptionally well with its regular treatments as well as its new Stress line.

*One leading regional chain has experienced dramatic growth in franchised skin care sales 'without doing anything that we're aware of to inspire that growth,' as the buyer put it.*

Some chains also report that they are advertising the skin treatment category more and that this is also paying off in stronger sales.

The mass lines are also doing very well, particularly Olay, Neutrogena, Nivea, Lubriderm, Vaseline Intensive Care Lotion and Curel.

One leading regional drug chain has been experiencing particularly dramatic growth in its franchised skin care sales "without doing anything that we're aware of to inspire that growth," as the buyer put it.

This buyer estimates that her franchised skin sales are up at least 20 percent while the mass lines are up a more modest 5 percent or so.

"Our mass sales are good and we're hoping that all the new entrants in the category will bring sales up much more dramatically in 1989, but for now, our franchised treatments are our best performers."

The Almay treatments have been particularly strong in this chain and so has the Revlon anti-aging creams and lotions. Moon-

*Continued on page 16*

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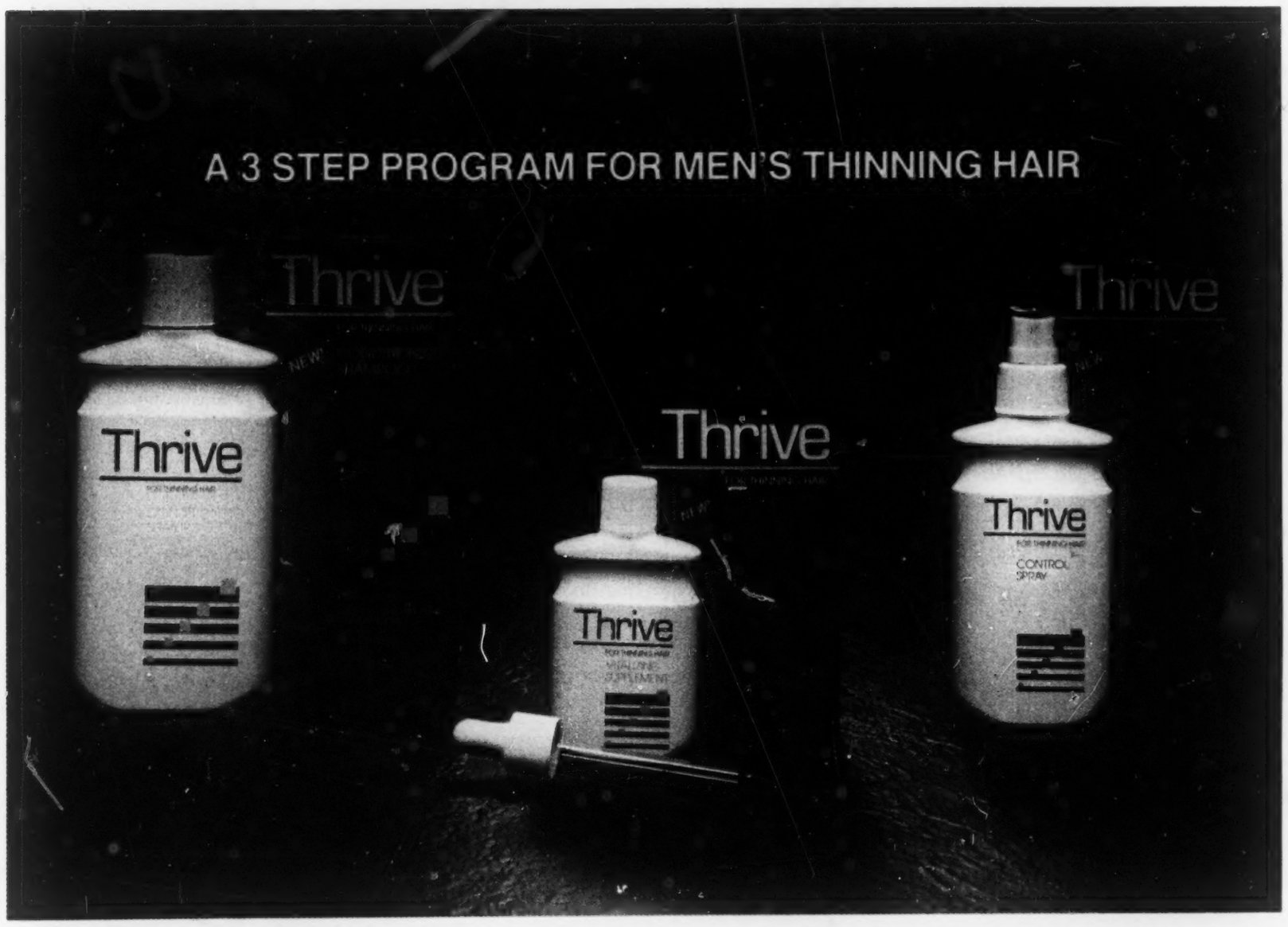


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# BEAUTY TRENDS

*Continued from page 14*

drops and the European Complex lines have also been hot, thanks possibly to new advertising support from Revlon.

This year, the buyer thinks the new Johnson & Johnson Purpose dual-treatment moisturizer with sun protection will do well in her stores.

The Purpose medicated soap, she points out, has always been a "dynamite seller" with dermatologists often recommending it to their patients. Now she thinks the moisturizer can build on that base of loyal users.

**Drug chains like Drug Emporium often prefer to merchandise their more expensive skin care lines in the cosmetics department. They feel that cosmeticians can generate sales by answering consumer questions.**

She also sees a lot of cross merchandising promotional opportunities tying the moisturizer into the success of the soap. She thinks doctors may want to recommend the Purpose moisturizers to Retin A users.

"It has all the properties that a Retin A user could want," she says. "It's a perfect moisturizer to use to help treat irritated skin."

This buyer has also had good growth from the new Neutrogena tinted moisturizer with sun protection. In this chain, the tinted moisturizer is not treated as a cosmetic product. Instead, it is merchandised with the entire family of Neutrogena skin care products, all of which are selling well here.

Cosmeticians, however, do help with suggested selling because this chain instructs its clerks to tell their customers that they can lighten the tint, if they want to, by mixing the tinted moisturizer in with the regular Neutrogena moisturizer products.

This buyer also likes the looks of the Revlon newest Clean & Clear skin product that will be launched later this year. That's the Clean & Clear Moisture Fine treatment that is being positioned against Olay. It comes in a clear bottle and can be dispensed through a pump; the point of differentiation being it is so pure and clean, you can see right through it.

This buyer thinks this approach worked very well for the Clean & Clear hair launch and has a good chance of catching on in skin.

She does note, however, that she does not intend to take in too many of the new products being launched against Olay.

"Olay," she points out, "is a great seller and fantastic for creating traffic for the skin treatment department, but the four- and six-ounce sizes are so competitive that it is impossible for drug chains to make much money on them.

"I'm telling the companies who want me to take on lines that compete with Olay that I'll take them only if they can guarantee me that they'll sell as well as Olay," she says.

"I can make money on Olay only because of the volume I sell. There's no reason for me to take on more lines with such a low margin unless they can assure me the same volume."

This buyer had not yet seen L'Oréal's new Plenitude, which is another line meant to go against Olay, but she felt the line would be better off in with franchised treatments in the cosmetics section.

She's putting it in cosmetics next to L'Oréal's color and she's hoping that it will do as well as the Revlon treatments do in their sets.

She says she'll also put the new Clarion skin care line in her stores that have Clarion cosmetics, but she's a little more reserved about the line's chances for success. She still has memories of how the Clarion color line took so long to build a base of users, and she says she also wonders whether computer-assisted sales are as strong a selling aid as Clarion's management thinks it is.

### Likes lower price points

However, she does like the lower price points on the Clarion line and if the ad support is as strong as promised, she thinks it could do well.

She also says that she has been pleasantly surprised by

*Continued on page 18*

### Growth in mass market skin care sales

(Retail sales in food, drug and discount stores, 12 months ended 10/31/88)

| Retail Outlets | 1988 $ sales (millions) | % change vs. prior year | Share of sales |
|---|---|---|---|
| Drug | $ 911 | 14.1% | 49.5% |
| Food | 569 | 10.6 | 31.0 |
| Discount | 359 | 6.1 | 19.5 |
| Total sales | 1,839 | 11.4 | 100.0 |

Source: Nielsen Marketing Research

### Skin Care: Growth in segment sales

| Category segment | All mass outlets 1988 sales (millions) | % chng vs. last year | Drug outlets 1988 sales (millions) | % chng vs. last year |
|---|---|---|---|---|
| Bath Oil | $220 | 10.2% | $105 | 14.6% |
| Depilatories | 50 | 4.9 | 29 | 6.7 |
| Face Creams/Lotions | 503 | 11.8 | 291 | 13.7 |
| Hand & Body Lotions | 529 | 11.4 | 234 | 13.7 |
| Chapped Lip Preps | 72 | 1.9 | 32 | 3.6 |
| Sun Tan Lotions/Oils* | 339 | 13.9 | 183 | 21.0 |
| Baby Lotions | 42 | 14.6 | 12 | 21.9 |
| Baby Oil | 83 | 13.2 | 25 | 17.2 |

*Includes sun protection products Source: Nielsen Marketing Research

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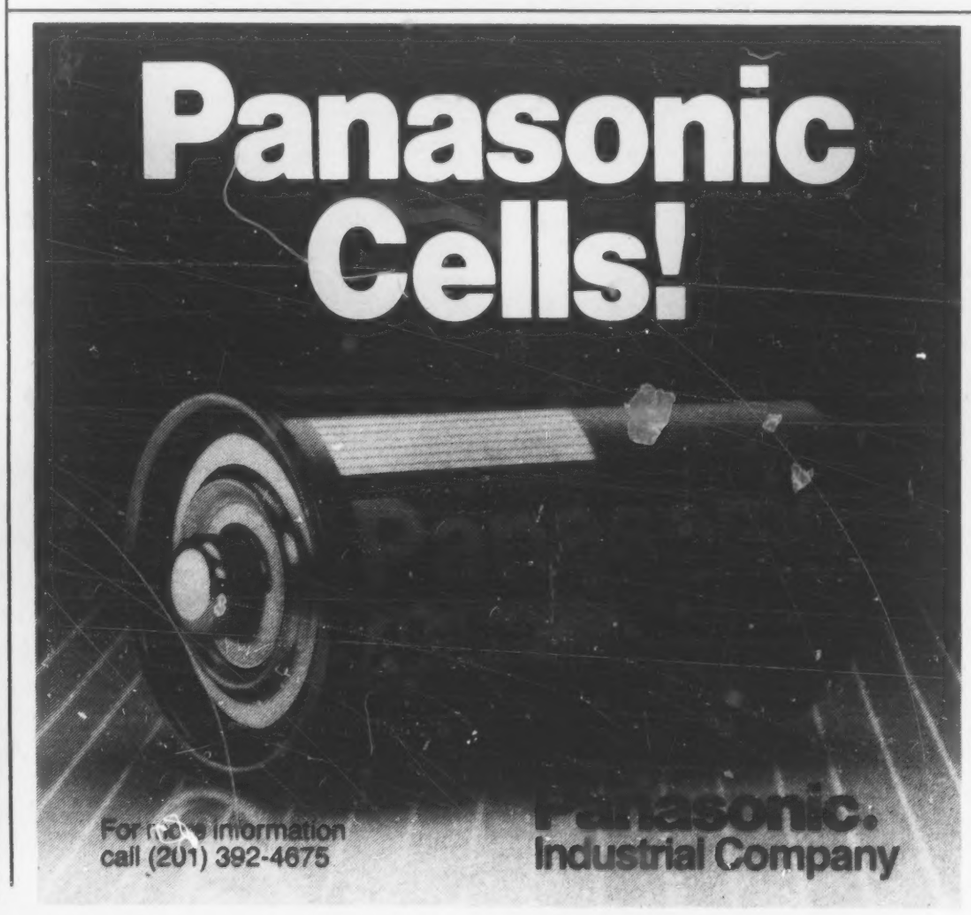


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# BEAUTY TRENDS

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the success of the Vaseline Intensive Hands and Nails lotion line.

In the basics, Curel is especially strong in this chain and so is Lubriderm.

**Genovese Drug**

At Genovese Drug in Melville, N. Y., senior H&BAs buyer Kevin McGivney says his skin care sales were up about 30 percent last year, and, despite the closing of many local beaches due to pollution, sun care was up between 20 percent and 25 percent.

McGivney says the growth is partly due to the consumer's current concerns about skin damage from too much exposure to the sun. However, a large part of the increase is the result of the way Genovese merchandises the skin care category. Skin is merchandised as a core department that includes sun care, bath accessories, acne treatments, therapeutic lotions for dry skin and mass market moisturizers.

McGivney says this approach, adopted last year, makes it easier for consumers to shop for skin care and related items. The category also gets strong ad support, with skin care items featured weekly.

The most frequently advertised brands are the top sellers: Olay, Ponds, Vaseline Intensive Care, Lubriderm, Keri, Curel, Jergens, Neutrogena, Nivea. Three or four times a year, Genovese also advertises the entire line of a particular brand, such as Neutrogena or Chesebrough-Ponds.

"This has really worked well for us," says McGivney. "We find that Neutrogena customers, for example, are brand loyal, and they usually buy more than a single item in the line."

In Genovese's mass brand skin care department, the strongest sellers right now are Olay, Ponds, Vaseline Intensive Care, the entire Neutrogena line, Nivea, and the new Vaseline Intensive Hand & Nail Care line. McGivney says the St. Ives Retinyl-A lotion, at an attractive price point, is also selling very well.

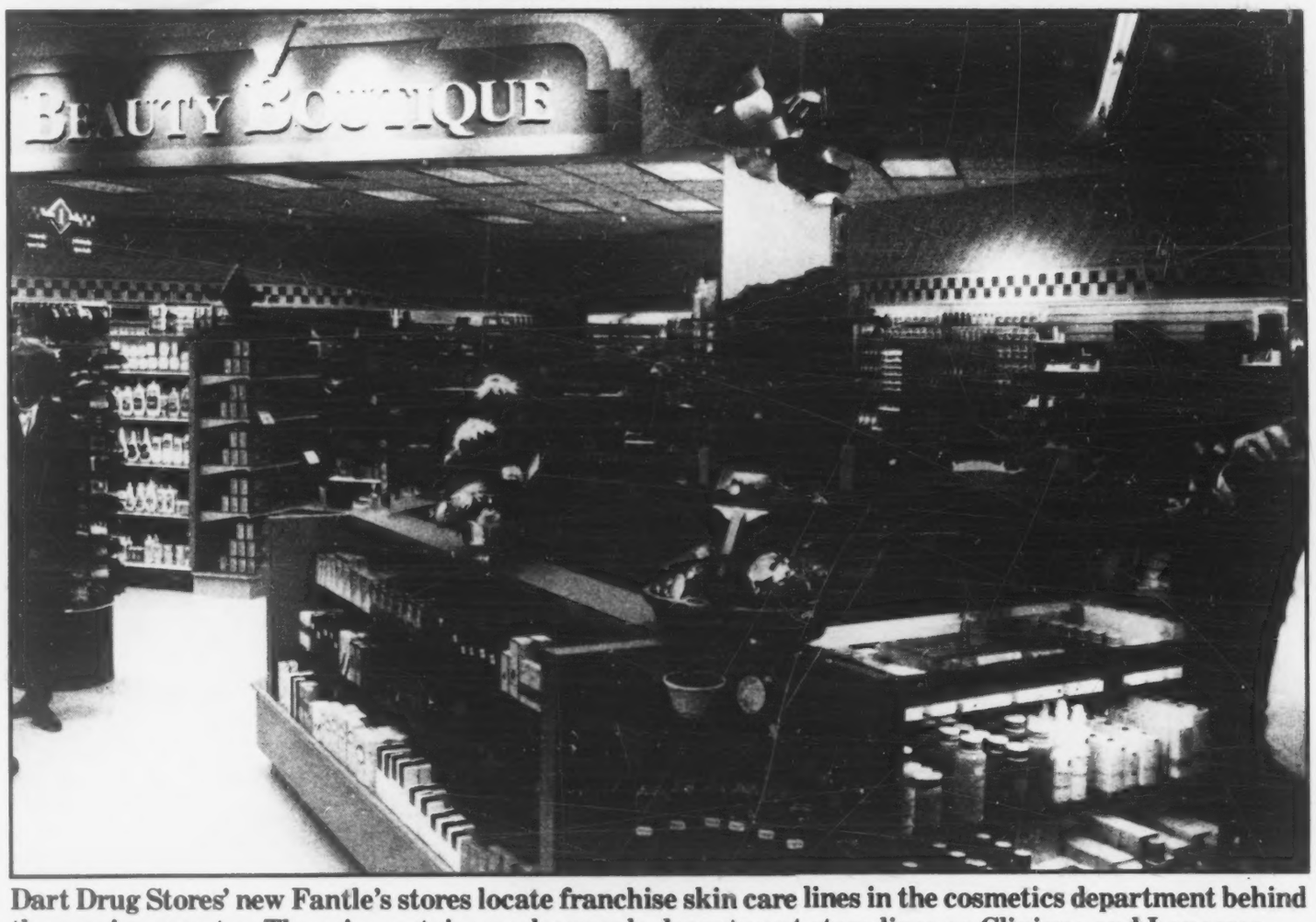
Lubriderm is enjoying "excellent sales" at Genovese, McGivney says. Curel and Noxzema are both doing well and so is Keri, with its new bath line. McGivney says the new Jergens Eversoft line is off to a very strong start.

McGivney has seen the new L'Oréal Plenitude skin care line in test stores in Atlanta, and he thinks it will do very well in his stores.

He was less familiar with the new Clarion skin care line, but he pointed out that Noxell supports its lines with a lot of money, and that being the case, the skin care line should also do well.

**Dart Drug**

In Landover, Md.-based Dart Drug, Jon Rudden, merchandise manager, says skin care has been identified as a prime growth area. The company's intent now is to develop the potential of the category by improving the location, the product mix and the overall presentation of the department.




**Dart Drug Stores' new Fantle's stores locate franchise skin care lines in the cosmetics department behind the service counter. The mix contains such upscale department store lines as Clinique and Lancome.**

In Dart's new Fantle's prototypes, the franchised skin department is in the cosmetics department behind the service counter. The mix includes such prestigious department store brands as Clinique and Lancome.

The mass skin care section is close to the cosmetics kiosk, and it includes the better selling mass brands like Olay, Neutrogena, Lubriderm and Keri.

"Skin care is a priority growth category for us," says Rudden. "Our stores have been 100-percent computerized since last July, and since that time, sales through the register have indicated a significant growth acceleration in that category."

The new skin department presentation, in combination with the bath department, gets a 28-foot to 32-foot gondola treatment, plus the additional space required for the franchised brands behind the service counter.

Rudden says management plans to add the department store lines to as many stores as feasible, but will concentrate on stores in affluent neighborhoods. Stores with department store lines will be staffed by fully trained, and in many instances, licensed, cosmeticians.

Rudden says Dart's management feels that well-trained cosmeticians are imperative to adequately servicing customers, and they contribute to the ultimate success of specialized products.

Rudden also says corporate's goal is "to bring presentation uniformity along with an improved mix to the mass skin care department in the near future."

Rudden says Dart plans eventually to relocate the department to the front quadrant near the entrance, in the primary traffic area of every store.

Rudden also foresees the possibility that mass franchised skin treatment lines like Revlon, Factor and Almay could be merchandised in the cosmetics kiosk rather than in the family sets in color cosmetics.

In terms of new products, Rudden says he is very excited about the launch of L'Oréal's Plenitude. "It seems like they've done their homework," he says. "and they're certainly committed to supporting this launch. My feeling is that a major launch of this type is good for the entire category."

Rudden likewise believes the Clarion skin care launch should also fuel growth in this department. Since the new ads for the Clarion color line broke, Rudden says Clarion has been doing "very nicely" at Dart. He feels there is a specific customer who will be loyal to the Clarion line.

So far, the movement of Colgate's new Lournay skin care line has been slow at Dart. However, Neutrogena has been very good and Olay and Lubriderm have been turning in strong performances.

This year, Dart plans to incorporate a year round section for sun care within the skin care department. It will probably vary between four and eight feet and include a varied mix of tanning and sun protection brands.

**Freddy's**

Therapeutic skin care brands are doing very well in Freddy's 18-unit deep discount drug chain based in Rochester, N. Y.

The strongest mass skin care brands are Lubriderm, Neutrogena, Moisturel, Curel and Keri. H&BA buyer Michelle Reitz thinks their growth is being propelled by dermatologists' recommendations.

"More and more people today want a better lotion," she says, "and more people are going to dermatologists, and the therapeutic brands or the brands with a quality image, like Neutrogena, are what most dermatologists are recommending."

Reitz estimates she's seen a 50-percent increase in the therapeutic segment of skin care sales in the past year. The anti-aging creams have been "big" at Freddy's and the Retinyl-A creams have been doing well, especially so since Reitz regards them as "specialty items" with a limited base of users.

Skin care gets between 25 and 30 feet in most Freddy's stores, plus family sets for the franchised lines in cosmetics.

Olay is doing very well and its new Sensitive Skin Fluid is off to a very strong start. Nivea's Visage is doing okay, but not approaching Olay's movement. The new Vaseline Hand & Nail Lotion is doing very well.

At Austin Drug on Long Island, cosmetics buyer Marlene Isaacson reports that after installing new fixturing for Revlon's cosmetics and franchised skin care lines, her sales of Moondrops, Eterna and European Collagen improved dramatically. She thinks it's because the new fixtures made the treatment products more more visible and accessible.

At Revco, the chain has expanded its mass skin treatment section, trying to give its customers a broader selection of product.

One source says this has been particularly good for sales, especially for popular brands like Olay, Keri and Moisturel. They have also brought in new lines like Aquaderm, made by Baker/Cummings in Miami and they've tried some knock-offs of the department store lines like Clinique and Lauder.

Old stand-bys like Palmer's cocoa butter and the Queen Helene moisturizers are also doing well in Revco, sources say.

At Eckerd Drug, several store clerks report that Revlon's Clean and Clear skin creams are picking up, possibly a result of the success of Revlon's new Clean & Clear hair care line.

Olay sold out when Eckerd recently advertised it, and some stores say they were completely out of stock before the sale period was over.

Sea Breeze is very popular in Drug Emporium stores, and so are the dual packs of St. Ives' Swiss Formula, especially when they are advertised. Ponds is good and Freeman and West Cabot skin treatments also sell well in many stores.

**Skin care: Share of retail sales**

| Retail outlets | 1984 | 1985 | 1986 | 1987 | 1988 |
|---|---|---|---|---|---|
| Drug | 50.9% | 50.4% | 49.0% | 48.6% | 49.5% |
| Food | 30.5 | 30.6 | 31.5 | 31.1 | 31.0 |
| Discount | 18.7 | 19.0 | 19.6 | 20.3 | 19.5 |

Source: Nielsen Marketing Research

*Dart Drug intends to develop the category's potential by improving the location, product mix, and overall presentation of the skin care department.*

# BEAUTY TRENDS

**Spinner racks of sunglasses and postcards frame endcap featuring sun care items in a Rix-Dunnington store.**

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trend in his stores.

Here, where the season starts in March and ends just before Labor Day, Cohen says the tanning lotions sell best, and Cohen thinks it's because the sun care customer still basically wants to tan rather than avoid the sun.

"Yes, some consumers may be a bit more careful because of everything they've heard about sun damage," he says, "but in many cases, that just means we're seeing more people trade up from an SPF 4 to an SPF 6 or from a 6 to an 8. But, even so, we still do a strong business in the 0s, 2s and 4s."

*'Some consumers may be a bit more careful, but in many cases people trade up from an SPF 4 to an SPF 6.'*

Cohen says Bain de Soleil was even stronger for Duane-Reade last year because of all the changes P & G has made in the line. He says its new packaging is very attractive, the additional SKUs are selling well, and the Bain de Soleil management seems to have keyed in "on all the important items" for this coming season.

He describes the new Protecteur Gentile line from Bain de Soleil as "a lovely concept," and adds Duane-Reade will be stocking at least four SKUs in the line including the SPF 25 face cream, body cream, and the SPF 30 lip protector and eye protector.

This year, Cohen thinks the Coppertone SunLess Tanning lotions look good, but at presstime, Cohen hadn't made up his mind if he'd be taking in the new Piz Buin line from Johnson & Johnson (J & J) or the Vaseline Intensive Care (VIC) sun care line.

He said he liked the packaging on Piz Buin, but he was trying to hold the line on the number of new SKUs he'd be bringing in this year. With the VIC line, he felt Chesebrough would support the line with good advertising, but he was afraid they might rely too strongly on the VIC name to carry the line. He also wondered how well some of the new launches could be expected to do against the major established brands in the category.

"We're condensing and trying to key in on the important lines," he said.

He also said that he felt the brands that would do well this year would be those that stressed the basics. He says Duane-Reade won't be bringing in any novelty items this year. No bracelets filled with tanning lotions and no zincs.

### Genovese Drug

In sun care, Bain de Soleil and Coppertone are nearly neck and neck for the best sellers in Genovese stores, senior H&BA buyer Kevin McGivney says. Possibly because so many kids shop Genovese for sun care items, McGivney reports that his sales are as strong in the tanning oils as they are in the sun protection brands.

"Early in the season, people start off buying the oils and lotions," he reports, "and then as they acquire a good base tan, they seem to come back and start buying the protection brands."

Last year Bain de Soleil's Orange Gelle and SPF 4s did particularly well at Genovese and so did the low SPF Coppertone tanning oils and lotions.

The Aloe Creme sun tanning line was also very strong at Genovese, where McGivney says it has a strong regional brand following. The Aloe Sun Fashion Tan After Tan was particularly successful last year.

The Eclipse line also did well in Genovese stores and Cancer Garde is in the chain's permanent year round set. The Pre Sun 28 did very well here last year and Shade and Sun Down were also strong.

*McGivney tries not to use too many sun care displays: he thinks they sell best off the shelf in the seasonal aisle.*

Tnis year, McGivney is bringing in all of the new lines including Protecteur Gentile from Bain de Soleil, Piz Buin from J & J and the new Vaseline Intensive Care sun care line.

He expects they will all do well, but to squeeze them in, McGivney says he will cherry pick the major lines and cut out some of his regional brands.

On a seasonal basis, Genovese merchandises sun care in an 8-foot to 16-foot set in the seasonal power aisle. They also maintain their regular 3-foot sun care department in the skin care aisle.

McGivney says he tries not to use too many displays for sun care, however, because he thinks the category sells best off the shelf in the seasonal aisle.

### Freddy's Discount Drug

In the sun care department, Freddy's strongest growth is coming from its sun protection brands.

Freddy's had a strong 1988 in suncare. Buyer Michelle Reitz estimates that overall sales were up between 25 percent and 30 percent.

The higher SPFs sell the best at Freddy's, and Reitz feels it is because more people today are concerned about sun protection.

During the peak selling season, sun care gets about 12 feet in Freddy's stores. Off season, Freddy's maintains about a 3-foot set for "snowbirds".

Coppertone and Bain de Soleil are the two best selling tanning brands, while Shade, Pre Sun and Sun Down do the best job in protection.

Reitz thinks the new Protecteur Gentile line from Bain de Soleil will do very well this season. She feels it will especially appeal to the upscale customer.

She has mixed feelings about J & J's Piz Buin. "A lot of times we'll get products imported from Europe and they won't sell as well here because Americans and Europeans are different. However, our upscale customers might like the line."

This year, Freddy's has slimmed down its sun care mix to make way for new enterants. Reitz says she's dropped a number of SPFs 25 while keeping some 20s and 22s. However, she says the 15s are her best sellers.

## Drug chains get share of strong hair care sales growth

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### Home perms

Buyers report that the home permanent segment remains flat, and Nielsen numbers agree with that. However, some buyers speculate that Toni Epic Waves from Gillette may add new life to the category.

Buyers say Epic Waves seems to be an innovative type of perm. Because it has one formula that can be used every month, it could increase frequency of use. It also has a formula that delivers a "temporary perm" that may attract more women into trying a home perm for the first time.

Gillette plans to support Epic Waves with a two-year, $21 million marketing campaign, including $13 million on television and print in 1989.

Revlon also has a relatively new perm, Perfect Touch, launched last year. Revlon doesn't have a big ad budget for Perfect Touch, but they will be breaking print ads for the first time in April that will run at peak periods throughout the year.

Revlon also has chosen a very moderate price point for Perfect Touch, and most retailers have been featuring it with a rebate for about $3.99. In contrast, Epic Wave will retail for $8.99 everyday.

Perfect Touch has been in most stores since the fall, and several buyers say sales have been slowly, but steadily building.

### Thinning hair

Many buyers see a new specialty segment emerging: conditioning products meant to thicken thinning hair.

Thanks to the success of such department store brands as Foltene and Nutriplexx, this segment grew from virtually zero sales to over $100 million last year. Many buyers believe there is an opportunity for mass retailers to create a new category of lower priced products.

Most buyers say they have been doing well with some of the new mass treatment lines, including Folicure and Freeman's Thinning Hair Solutions.

Now Revlon is launching its Nutrasome thinning hair line, and Shulton is bringing out Thrive, a three-product line that Shulton wants to merchandise in men's grooming departments.

Shulton will begin spending $12 million in May to support Thrive, while Revlon has said it will spend at least $5 million on Nutrasome throughout the year.

Shulton's management is predicting that the thinning hair segment could be a $330 million-plus business by the year 2000.

Buyers agree that if enough new products come out and manufacturers support them with aggressive advertising, the thinning hair treatment segment could become the next hot growth area.